Portman Plan Bolsters Conservatives' Hand In Upcoming Budget Debate

Two Tools Will Strengthen Republicans' Leverage & Provide a Pathway Forward to Real Spending Reform During CR & Debt Ceiling Debates

The Problem: Washington's Out-Of-Control Spending Is Driving Long-Term Deficits

- Soaring spending now near \$30,000 per household is projected to drive a \$10 trillion increase in the national debt over the next decade, and even larger increases thereafter.
- These reckless spending and deficit levels will drive up tax rates, reduce economic growth, and dump an unconscionable burden on future generations.
- Washington must not squander this important opportunity to get its fiscal house in order.

Portman Dollar-for-Dollar Deficit Reduction Act Will Prevent Senate Democrats From Using Debt Limit Increases To Kick The Can Down The Road on Spending Reduction

- Congress should not agree to raise the debt limit unless that legislation also cuts the same amount of spending over the next decade.
- The entire amount should be offset within federal programs, allowing the interest savings on the national debt to provide additional savings above the debt limit increase amount.
- The Dollar-for-Dollar Deficit Reduction Act requires:
 - o That the Treasury Secretary notify Congress 60 calendars days before the debt limit is to be reached and extraordinary measures undertaken;
 - That any Presidential request or legislation to raise the debt limit be accompanied by a proposal to cut non-interest spending by an equal or greater amount over the next decade.
- The Dollar-for-Dollar Deficit Reduction Act will:
 - o Reduce spending by more than \$3 trillion over the next decade;
 - o Reduce spending below 20 percent of GDP by 2022;
 - Reduce the budget deficit to just 1 percent of GDP by 2022, paving the way for a fully balanced budget.

<u>Portman Bill Will End Threats of Government Shutdown That Increase Likelihood of Chaotic, Rushed Budget Agreements</u>

- Congress has not completed all regular appropriations bills by the October 1st deadline since 1997 and has done so only twice since 1985.
- The threat of a government shutdown in the absence of appropriations bills has weakened the hand of those who want real spending cuts. Fearful of the political backlash that would come from citizens who rely on federal services not having access to them, Republicans have often been pressured into supporting haphazard, last-minute budget deals that don't address Washington's runaway spending.
- The **End Government Shutdowns Act** will restore predictability and order to the appropriations process:
 - Will automatically continue funding for discretionary programs whose budget has not yet been enacted by October 1st;
 - At the end of 120 days that an appropriations bill remains unfinished past the October 1st deadline, the spending level for each program, project, and activity will be reduced by 1 percentage point. Another 1 percentage point will be reduced every subsequent 90 days;
 - Less unpredictability for government agencies, which will now be able to plan their budgets based on a default appropriations level.